Carbon Reduction Plan 2024-25

We recognise the increasing impact of environmental change on our business, the climate, and its importance to our stakeholders. We believe that the responsible management of natural resources, climate change mitigation and adaptation, along with our commitments to pollution prevention and protection of the environment are essential to delivering a cleaner future and a successful business.

We are also committed to continual improvement of both environmental and energy performance and reporting openly and transparently on our environmental programmes and performance.

This plan details our current carbon footprint (1st April 2023 - 31st March 2024) and outlines our commitment to reducing emissions to achieve Net-Zero by 2040. Our Net-Zero by 2040 target has been validated by Science Based Targets initiative (SBTi).

More information on our environment strategy, *Steps to Zero,* and our progress in 2023-24 can be found in our latest ESG Report here.

This plan has been developed to demonstrate compliance with measures detailed in the UK Government's Procurement requirements and the PPN 06/21 published in June 2021.

Greenhouse Gas Emissions reported within this document align with the reporting requirements set out within the PPN 06/21. All Scope 1, Scope 2 and required Scope 3 emissions are included. Our carbon footprint data adheres to the Greenhouse Gas Protocol.

This plan applies to Royal Mail Group Limited (including Parcelforce Worldwide). We will refer to Royal Mail Group Ltd as 'Royal Mail' throughout this document.

Date: January 2025

Royal Mail Carbon Reduction Plan

Royal Mail has committed to achieving Net-Zero by 2040, aligned to a 1.5°C decarbonisation pathway, meeting the latest climate science and science-based targets standard (SBTi).

Royal Mail's near-term carbon targets (from a 2020-21 base year) are:

- **GHG emissions:** 50% reduction in Scope 1-2 by 2030 and 25% reduction in Scope 3 by 2030
- **Renewable electricity purchased or generated:** 100% from 2022
- **Zero-emission final mile:** 100% by 2035
- **Zero-emission company cars:** 100% by 2030

In 2022, Royal Mail launched its environment strategy, *Steps to Zero*, which provides the pathway to achieving these ambitious targets and a wider spectrum of environmental targets including energy efficiency, water reduction, an improvement in product circularity and waste reduction. Our Net-Zero by 2040 target will drive the removal of over 1 million tonnes of carbon dioxide equivalent in our operations and supply chain over 20 years.

Greenhouse Gas Emissions

Royal Mail publicly discloses its emissions annually in the IDS Annual Report and Financial Statements and Royal Mail ESG Report. We provide a 5-year history of data in our ESG Data Pack. The emission data below reports a specific subset of Scope 3 emissions aligning to the PPN 06/21[1] guidance and therefore will not match the figures reported in the documents mentioned above.

Emissions ('000 tonnes CO_2e)	2020-21 (base year)	2023-24	% variance
Scope 1	**473.2**	**394.6**	**-17%**
Scope 2 (location based)	**64.1**	**59.1**	**-8%**
Scope 3[2]	**420.0**	**413.5**	**-1%**
Category 4. Upstream Transportation and Distribution	*272.5*	*284.9*	
Category 5. Waste disposal	*1.3*	*0.8*	
Category 6. Business Travel	*3.1*	*7.5*	
Category 7. Employee Commuting	*35.9*	*34.5*	
Category 9. Downstream Transportation and Distribution	*107.1*	*88.0*	
Total emissions	**957.3**	**867.2**	**-9%**
Scope 2 (market based)	9.1	0.3	-97%

For a detailed understanding of our reporting methodologies please see our ESG Reporting Criteria.

For the avoidance of doubt the Royal Mail reporting year runs from April to March.

1. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/991622/PPN_0621_Taking_account_of_Carbon_Reduction_Plans__2_.pdf
2. Categories incorporated within emissions reported for Scope 3 include; Upstream transportation and distribution, waste generated in operations, business travel, employee commuting and downstream transportation and distribution.

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Our 2023-24 GHG emissions performance [3]

In 2023-24, Royal Mail's Scope 1-2 carbon footprint decreased by 18% on our 2020-21 base year. This was due to:

- A reduction in vehicle fossil fuel use through final mile fleet electrification
- A move to 100% renewable electricity purchased or generated
- Deployment of 10 million litres of HVO (Hydrotreated Vegetable Oil) biofuel

Reducing Royal Mail's Scope 3 emissions is becoming a larger focus, with dedicated resources now in place and significant suppliers identified. Efforts will focus on engaging, monitoring, and driving decarbonisation across our supply chain to achieve our Scope 3 emissions reduction target.

Royal Mail remain confident in achieving the carbon targets set out above, understanding it has agreed and funded significant carbon reduction initiatives in 2024-25 to 2026-27 that will drive ambition forward (detailed in following sections of this report).

Read more about Royal Mail's environmental performance in our 2023-24 ESG Report.

Decarbonisation initiatives

The following environmental management measures and initiatives have been completed since our 2020-21 base year or are planned to be implemented in future years to facilitate the attainment of our SBTi validated Net-Zero by 2040 and 2030 near-term emissions targets.

Near-term: 50% reduction in Scope 1-2 by 2030-31 and 25% reduction in Scope 3 by 2030-31.

Long-term: 90% reduction in Scope 1, 2 and 3 by 2040-41.

Operations

100% renewable electricity purchased or generated from 2022. We achieved 100% in 2023-24. Our focus will now turn to purchasing renewable energy via purchase power agreements, ensuring a sustainably priced renewable electricity supply.

Reduce energy use within the estate through efficiencies and improved equipment. Since our base year, we have had an ongoing energy efficiency programme and in 2024-25, 300 site energy efficiency upgrades will be completed.

We are now deploying HVO as a transitional fuel to help decarbonise our HGV fleet. In 2023-24 we used 10m litres of this biofuel. Zero-emission technology for HGVs is developing fast and we remain committed to working with manufacturers to trial and test the technology, but it is not yet commercially deployable at scale.

Shifting transport modes to moving less mail by air and more by road. In 2023-24 we removed flights to Jersey and the Isle of Man. Over the next year a further 18 flight routes will be removed. Once fully realised, this will equate to a saving of c.30,000tCO2e per year, or over 50% of our base year domestic air freight emissions.

3. Our performance relates to the GHG emission reported as per our ESG Report, accounting for all Scope 3 emissions beyond the categories requested in the table on page 1.

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Deliveries

We have over 6,000 electric vans, the largest electric delivery vehicle fleet in the UK, which complements our existing 'feet on the street' network of c.81,000 posties as we aim to reach zero-emissions in the final mile by 2035. Currently our domestic final mile delivery network accounts for 12% of our total emissions.

Supply Chain

Scope 3 accounts for around 66% of our total reported emissions. We recognise the need to evolve our supply chain practices, gathering more information from our key suppliers, both on emissions and climate risk, and to set a clear strategy for delivering our science-based Scope 3 target in 2030.

Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with the PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans, the GHG Reporting Protocol corporate standard and uses the appropriate Government emission conversation factors for greenhouse gas company reporting.

Scope 1 and 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard.

This Carbon Reduction Plan has been signed off by IDS's ESG Committee via the review and sign-off of Royal Mail's 2023-24 ESG Report - which mirrors the information provided in this report.

Jenny Hall
Chief Corporate Affairs Officer, Royal Mail
January 2025

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